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Beef feedlot Cost Study
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BEEF FEEDLOT COST STUDY

Southern and Western Ontario
25 Records, 1981

REPORT TO COOPERATORS

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.....

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BEEF FEEDLOT COST STUDY, 1981

THE BEEF FEEDLOT COST STUDY has been an ongoing project since 1969 when six feedlot operators from Brant County provided data on their feedlot operations and farm business, using the Ontario Farm Record Book. In 1972, the study was expanded and data has been obtained from the cooperators' CANFARM records.

The purposes of the study are:

1. To determine the income and expenses of feedlot operations;

2. To obtain physical input-output ratios; and

3. To provide data for comparison to cooperating feedlot operators and to extension workers.

THE SAMPLE

Twenty-five feedlot operators cooperated in the Beef Feedlot Cost Study in 1981. They were located in Brant, Dufferin, Durham, Huron, Kent, Norfolk, Oxford, North and South Simcoe, Waterloo, and Wentworth counties. Each cooperator produced about 500 or more hundredweight of beef and averaged 100 or more head on feed.

Several of the farmers had other livestock and some had income from cash crops. Most of the roughages and grains fed to the feeder cattle were produced on the farm. All operators purchased protein supplements and salt and minerals.

The feeder cattle were purchased in the West and at feeder sales in Ontario. Most of the feeder cattle were beef breeds, with some dairy or exotic crosses.

METHODS USED IN HANDLING PRODUCTION INPUTS AND OUTPUTS

County Extension Branch personnel supervised the CANFARM records of the cooperating farmers and a Beef Feedlot Summary was prepared by the Economics Branch. Appropriate data extracted from CANFARM and other records has been used to prepare this report.

All inputs purchased and outputs sold were recorded as cash expenses and income whether the transaction was cash or credit and were entered at actual values. Physical quantities of inputs and of outputs sold were recorded.

Income and expenses directly attributable to the feedlot were credited and charged to the feedlot. Farm assets and other expenses were valued and allocated to the feedlot as described in the following section.

Real Estate

Land and buildings were valued at current market prices. Depreciation was calculated on the original value of the buildings, using the diminishing

balance method, up to 20 percent of original value when depreciation ceased on the assumption the buildings had reached obsolescence. Depreciation for the current year was charged to the feedlot according to the portion used for the feedlot. Rates of depreciation and years to obsolescence follow.

Buildings	*Rate, %*	*Years*
Barn	8	20
Concrete & glass silos	8	20
Manure pits, etc.	8	20
Paved area	10	15
Bunk silo	10	15
Feedbunks & stabling	10	15

Machinery and Equipment

Current values for machinery were calculated by depreciating from the original value for the number of years owned to 20 percent of original value when depreciation ceased on the assumption the machine was obsolete or worn out. The depreciation for the current year was charged to the feedlot according to the use of the machine for the feedlot. The machines used for the feedlot, rates of depreciation, and years to obsolescence follow.

Machinery	*Rate, %*	*Years*
Manure spreader	15	10
Manure loader	15	10
Feed wagons	15	10
Feeders & mixers	21	7
Silo unloader	21	7
Miscellaneous equipment	15	10

No depreciation for tractors, trucks, or cars was charged to the feedlot.

Livestock

Feeder cattle on hand at the beginning and ending of the year were valued at the market price appropriate for the weight.

Indirect Expenses

If there was no other livestock enterprise on the farm, the indirect expenses were allocated to the feedlot according to the following rates. An adjustment was made in the percentage allocation if there was another livestock enterprise on the farm.

Indirect expenses	*% to feedlot*
Machinery repair	10
Car (gas, lic., rep., ins., to $700)	30
Wages & salaries	50
Interest paid	60
Taxes, real estate	50
Building repair & maintenance	80
Hydro & telephone	75
Farm insurance	75
Miscellaneous farm expenses	40

Table 1.—Inventory Values and Transfer Prices of Homegrown Feeds

Feeds	Inventory value		Transfer value
	January 1, 1981	December 31, 1981	
		dollars	
Wheat, bu., feed	3.80	3.35	3.70
Oats, bu.	2.15	1.90	2.10
Barley, bu.	3.05	2.68	2.96
Mixed grain, bu.	2.55	2.23	2.47
Grain corn, bu.	3.80	2.87	3.80
Corn silage, ton	21.00	22.00	22.00
Haylage, ton	25.00	28.00	28.00
Hay, ton	50.00	55.00	55.00
Straw, ton	40.00	44.00	44.00

Crops and Supplies

Purchased feeds were recorded at actual cost. Homegrown feeds were valued similarly for all cooperators for inventory and transfer to the feedlot enterprises. Price quotes from the Economics Branch, Monthly Crop and Livestock Report were used for inventory values of the homegrown grains and the average yearly price for transfer value.

Roughages consumed were valued using the following method. Corn silage was valued on the basis that one ton was equivalent to seven bushels of grain corn. The calculated value for corn silage was $22 per ton. Hay was valued on a nutrient fed basis at 2½ times that of corn silage; and haylage, oatlage, and barlage were valued at ½ that of hay. The inventory and transfer values used for the study are shown in Table 1.

Perquisites

Beef slaughtered for home use was credited as income to the beef enterprise.

Labor

There was no allowance for operator and family labor.

Interest on Equity

No calculation was made for interest on equity.

DEFINITION OF TERMS

Gross Farm Income

All sales for feedlot cattle, other livestock, crops, miscellaneous items and changes in inventory for feedlot cattle, other livestock and for feeds and supplies are combined to form gross farm income.

Expenses

All inputs purchased for the farm business as well as depreciation on buildings and machinery are included in farm expenses. The purchase of real estate or machinery is not included.

Net Farm Income

Net farm income is obtained by subtracting total farm expenses from gross farm income.

Average Number on Feed

This was computed by averaging the counts of cattle on the first of each month.

Hundredweight of Beef Produced

The amount of beef produced is calculated by subtracting beginning inventory weight and purchase weight of feeder cattle from ending inventory weight and sale weight of slaughter cattle.

Value of Beef Produced

The value of production was calculated by subtracting the purchase cost of feeder cattle from the sales value of slaughter cattle and adjusting for change in inventory value.

BEEF FEEDLOT STUDY, 1981

Accelerating interest charges, higher feed prices, and negative price margins compounded the problems of the beef feedlot operators in 1981.

The high cost of credit for the operation of the beef feedlot was troublesome and unpredictable. The prime rate of interest for Canadian banks peaked at 22.75 percent and remained there for five weeks in August and September, 1981. It averaged over 19 percent for the year. The rate for most borrowers was one to two percentage points above prime.

The yearly weighted price of A1A2 slaughter steers over 1,000 pounds at Toronto averaged $80 per 100 pounds in 1981, only slightly less than the $80.74 of 1980. However, the price trend was generally down with the December price nearly $8 less than in January 1981. Steer calves of 500 to 600 pounds purchased in the fall of 1980 averaged about $85 per hundred pounds at Toronto, leading to a negative price margin of about $5 per hundred pounds when marketed in 1981.

The value of grain fed to the feedlot enterprise accounts for about 45 percent of the total feed expense. The farm gate price for homegrown grain corn averaged $3.25 throughout 1980, and nearly $3.75 throughout 1981, about 15 percent higher.

THE FEEDLOT FARM

Twenty-two of the farmers participated in both years (1980 and 1981) of the study. Fifteen, or 68 percent of these produced less beef in 1981 than in 1980, while 7 produced more. Overall, for the 22 farms, there was 13 percent less beef produced in 1981 than in 1980.

Gross farm income averaged $410,071 for the 25 beef feedlot operators who participated in the study in 1981. Total farm expenses averaged $411,521 per farm — exceeding gross farm income by $1,450. In 1980, total farm expenses were equal to 97 percent of gross farm income, and to 93 percent in 1979. Net farm income — the amount left for operator and family labor, management, and return to equity and risk, was a loss of $1,450. Beef cattle sales and inventory change accounted for 69 percent of gross farm income in 1981 compared to 82 percent in 1980 (Table 3).

Several operators had other livestock enterprises, sold cash crops and earned income from custom operations.

The feedlot operators produced nearly all of the roughages and much of the grain fed to the feedlot cattle on the 392 tillable acres (Table 5).

The farmer's equity average 72 percent of the total investment of $889,116 in the farm business.

NOTE. The Ontario stabilization payment on slaughter cattle received in 1981 was included in the 1981 farm income, but was excluded from the feedlot enterprise income because it was applicable to 1980 operations and not to 1981.

THE BEEF FEEDLOT ENTERPRISE

A review of some data from the 1978, 1979, and 1980 feedlot cost studies will help to put the 1981 figures in perspective.

The 1980 figures are quoted directly from the 1980 study. Assuming that all farmers on the study applied for and received the Ontario stabilization payment of $40 per head for all slaughter cattle sold in 1980, then the returns after total allocated expenses would be a loss of about $46 for the feedlot and a loss of about 5 cents per hundredweight of beef produced (essentially breakeven).

The 25 operators in 1981 averaged 33 fewer cattle on feed and produced 307 fewer hundredweights of beef than the 26 operators in 1980 (Table 2).

Both purchase and sale weights were higher in 1981 than in 1980 (Table 2).

Purchase price per 100 pounds averaged $8 less in 1981 than in 1980, while sale price was slightly lower.

In 1981, feed accounted for 68 percent of total allocated expenses compared to 66 percent in 1980 (Tables 6 and 7). Feed expenses per hundredweight of beef produced were 14 percent higher than in 1980. Total interest paid, allocated to the feedlot, was about 12 percent lower than in 1980, but on 15 percent lower production. Total allocated expenses at $78.16 per hundredweight of beef produced were 10 percent higher than in 1980. Returns after total allocated expenses represented a sizeable loss at $17.40 per hundredweight of beef produced in 1981. This compares to the loss of $9.03 in 1980 (or nearly breakeven when the Ontario stabilization payment is included for 1980).

THE PURCHASE OF LIGHT VERSUS HEAVY FEEDER CATTLE

The records were grouped according to purchase weight of feeder cattle. There were 9 operators who purchased cattle weighing less than 600 pounds, 3 with purchase weights between 600 to 699, 9 operators with 700 to 799 pounds, and 3 who purchased feeder cattle weighing 800 pounds and over. Average purchase weights for the 4 groups were 526, 677, 769, and 840 pounds respectively. Average purchase price was higher for the heavier cattle than for the lighter (Table 8). This was a reversal of 1980, when purchase price was higher for the lighter cattle.

The farmers purchasing the lightest cattle fed the least amount of grain per hundredweight of beef produced and had the lowest feed costs. Those purchasing the heaviest replacement cattle fed much more grain, 749 pounds per hundredweight of beef produced, but fed the least amount of roughages of the four groups (Table 8).

For all groups, the returns after both direct and indirect expenses were losses. The loss was smallest for the 9 operators who purchased the lightest replacement cattle (Table 8). This result is the same as for 1980 when the smallest loss was obtained by purchasing and feeding lighter cattle.

GROSS MARGIN

Gross margin is another tool for the farm manager to use in decision making. It can be used as a check on technical efficiency and in farm planning. The gross margin of an enterprise is the value of output of the enterprise less its variable costs. Variable — or direct — costs are those costs which occur because an enterprise is operated, while fixed — or indirect — costs are ongoing whether of not the enterprise is operated (e.g., property taxes and depreciation).

Gross margin is not profit. Fixed costs must be covered by the total farm gross margin to arrive at farm profit. Gross margin may vary from year to year because of price differences affecting output, and because purchased inputs may vary with changing feed prices, and incidence of illness requiring more or less veterinary service and medication. Level of management will also cause differences between farms.

Output may vary between farms because of size or type of cattle on feed. Also, items of variable cost may differ between farms. Interest paid for loans to purchase cattle may be high on some farms and very low on others.

Comparison of gross margin in one year with averages developed over several years as a kind of standard, can be a useful check on technical efficiency, provided the above points are kept in mind.

In farm planning, gross margin is only one relevant feature of an enterprise. For expansion or contraction of an enterprise, or substitution of another enterprise, the manager should keep in mind the demand on other resources, such as labor or size of present machinery or working capital. A change in size of enterprise may alter the fixed costs per unit of production.

For the one-third of the producers with the highest net returns per hundredweight of beef produced, the total variable costs were nearly $ 4 per hundredweight lower than for the average. This was mostly accounted for by lower feed and interest costs. Coupled with the higher value of livestock produced, the gross margin was $15.78 higher per hundredweight of beef produced for the high one-third than for the average of all producers (Table 9).

Table 2.—Size, Production, Costs and Returns, Beef Feedlot Cost Study, 1978, 1979, 1980, and 1981

	1978	1979	1980	1981
Number of records	26	27	26	25
Ave. number of cattle on feed	263	284	290	257
Ave. cwt. of beef produced	1,703	2,114	1,964	1,657
Ave. purchase wt., lb.	670	732	676	706
Ave. purchase price per cwt., $	72.67	95.50	87.94	79.65
Ave. sale wt., lb.	1,110	1,176	1,125	1,149
Ave. sale price per cwt., $	61.77	79.56	79.31	78.44
PER FEEDLOT, $				
Value of beef produced	155,617	140,490	121,634	100,673
Total allocated expenses	85,875	131,669	139,320	129,529
Returns after total alloc. exp.	69,742	8,821	-17,686	-28,856
PER CWT. OF BEEF PRODUCED, $				
Feed cost	33.73	42.10	46.54	52.92
Other direct costs	4.58	5.08	5.56	5.18
Indirect costs	12.10	15.12	18.88	20.06
Total allocated expenses	50.41	62.30	70.98	78.16
Returns after total alloc. exp.	40.95	4.16	-9.03	-17.40

Table 3.—Farm Income and Expenses per Farm, Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	25	8	12	13	1
PER FARM		dollars			
Income:					
1980 stabilization payment ...	16,742	15,252	19,262	14,415	.....
Feedlot sales[b]	331,250	323,506	329,103	333,232	.....
Other livestock sales	26,389	10,580	6,937	44,343	.....
Crop sales	34,530	34,806	31,986	36,879	.....
Custom work	10,165	6,765	13,255	7,313	.....
Other (rebates, etc.)	36,400	2,429	71,148	4,326	.....
Inventory change:					
Feedlot cattle	-48,218	-42,927	-49,098	-47,404	.....
Other livestock	-2,196	1,411	293	-4,494	.....
Feeds, crops, & supplies ...	5,009	380	-1,816	11,308	.....
GROSS FARM INCOME	410,071	352,202	421,070	399,918	.....
Expenses:					
Livestock:					
Livestock purchases	186,997	168,620	167,249	205,225	.....
Veterinary & medicine	1,119	1,724	1,314	939	.....
Purchased feeds	36,132	26,571	22,606	48,617	.....
Marketing & trucking	4,305	5,599	3,774	4,796	.....
Other	3,558	590	4,439	2,744	.....
Crops:					
Fertilizer	15,798	16,662	17,103	14,593	.....
Sprays	6,125	6,568	7,160	5,169	.....
Seed	6,305	4,609	6,929	5,729	.....
Custom work	3,864	4,954	4,250	3,508	.....
Other	1,050	723	650	1,420	.....
Machinery & truck repairs	8,442	7,459	8,564	8,330	.....
Fuel (machinery & truck)	8,002	6,375	8,258	7,765	.....
Car	1,154	645	1,084	1,218	.....
Interest paid	40,910	25,445	52,192	30,496	.....

(Table 3 is concluded on the next page.)

Table 3.—concluded

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Hired labor	6,958	3,853	7,440	6,514	.....
Taxes	4,005	4,268	5,237	2,867	.....
Land rent	5,564	4,685	5,819	5,329	.....
Hydro & telephone	2,245	1,793	2,370	2,130	.....
Bldg. repair & maintenance	2,223	2,242	2,540	1,929	.....
Farm insurance	2,952	2,930	3,672	2,288	.....
Other farm expense	39,706	1,021	53,919	26,587	.....
Dep., bldg., & mach.	24,107	18,397	26,440	21,953	.....
TOTAL FARM EXPENSES	411,521	315,733	413,009	410,146	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	-1,450	36,469	8,061	-10,228	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Does NOT include perquisites.

Table 4.—Acres and Yields of Crops Produced (Owned and Rented Land), Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	All		High 1/3		Southern		Western		Your farm	
	Ac	Yld	Ac	Yld	Ac	Yld	Ac	Yld	Ac	Yld
GRAIN, bu.										
Wheat	31	54.0	43	44.0	48	52.0	16	62.0	....	....
Spring	35	59.0	37	61.0	25	67.0	44	54.0	....	....
Corn	161	93.0	134	97.0	194	100.0	130	83.0	....	....
ROUGHAGE, ton										
Hay	26	2.5	30	2.7	21	2.6	30	2.4	....	....
Corn silage	99	12.4	100	13.6	106	13.2	93	11.4	....	....
Haylage[a]	29	4.4	9	4.7	10	5.8	47	4.1	....	....
OTHER	8	xxx	16	xxx	13	xxx	4	xxx	....	....
TILLABLE PASTURE	3	xxx	8	xxx	5	xxx	2	xxx	....	xxx
TOTAL TILLABLE ACRES	392	xxx	377	xxx	422	xxx	366	xxx	....	xxx

[a]Includes barlage, oatlage, etc.

Table 5.—Performance and Resources per Farm, Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	25	8	12	13	1
Investment, $:					
Land & buildings	479,461	498,499	647,105	324,713	.....
Machinery	145,354	115,682	165,848	126,437	.....
Feedlot cattle	179,994	170,012	174,582	184,990	.....
Other livestock	6,618	7,860	4,316	8,744	.....
Crops, feeds, & supplies ...	77,689	66,868	86,466	69,586	.....
TOTAL	889,116	858,921	1,078,317	714,470	.....
Farmer's equity, $	635,612	667,049	732,298	546,363	.....
Resource performance:					
Till. acres, own & rent	392	377	422	366	.....
Man equivalents, no.	1.8	1.7	2.0	1.6	.....
Capital turnover, years	2.2	2.4	2.6	1.8	.....
Cost control index, %	-0.4	10.4	1.9	-2.6	.....
Percent equity, %	71.5	77.7	67.9	76.5	.....
Feedlot performance:					
Cwt. of beef produced	1,657	1,819	1,925	1,408	.....
Ave. number on feed	257	243	273	241	.....
Death loss, no.	6.5	5.9	9.0	4.2	.....
Sales:[b]					
Number sold	364	365	377	352	.....
Price per head, $	901.54	885.41	855.16	947.41	.....
Price per cwt., $	78.44	78.12	77.09	79.68	.....
Wt. per head, lb.	1,149	1,133	1,109	1,189	.....
Purchases:					
Number purchased	325	329	327	323	.....
Price per head, $	562.71	507.68	510.13	611.79	.....
Price per cwt., $	79.65	77.87	78.49	80.58	.....
Wt. per head, lb.	706	652	650	759	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Does NOT include perquisites.

Table 6.—Feedlot Enterprise Income and Expenses per Farm, Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	25	8	12	13	1
PER FARM					
Income:		dollars			
Feedlot cattle sales[a]	331,862	323,930	329,439	334,099	.....
Less livestock purchases	-182,972	-166,773	-166,812	-197,890	-.....
Livestock inventory change ...	-48,217	-42,928	-49,098	-47,404	.....
VALUE OF BEEF PRODUCED	100,673	114,229	113,529	88,805	.....
Direct expenses:					
Feeds, pur. & homegrown:					
Supplement	8,274	11,976	10,064	6,621	.....
Grain	41,151	27,824	36,463	45,477	.....
Hay	3,189	2,942	1,856	4,420	.....
Silage	29,512	31,680	33,531	25,803	.....
Haylage & grainlage	3,842	1,173	2,209	5,350	.....
Salt & mineral	1,101	963	1,023	1,174	.....
Pasture	420	563	375	462	.....
Other	235	187	-	451	.....
Total	87,724	77,308	85,521	89,758	.....
Bedding	2,634	2,992	2,437	2,816	.....
Veterinary & medicine	1,074	1,592	1,226	933	.....
Marketing & trucking	4,305	5,599	3,774	4,796	.....
Other	557	506	490	619	.....
Total direct expenses	96,294	87,997	93,448	98,922	.....
Indirect expenses:					
Machinery repair	746	741	849	651	.....
Car	183	114	196	170	.....
Interest paid	19,285	13,880	22,964	15,888	.....
Hired labor	2,150	527	2,263	2,046	.....
Taxes	1,802	2,060	2,506	1,152	.....
Hydro & telephone	1,297	1,105	1,469	1,139	.....
Bldg. repair & maintenance ...	1,580	1,608	2,080	1,118	.....

(Table 6 is concluded on the next page.)

Table 6.—concluded

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Insurance	1,858	1,805	2,409	1,350	.....
Other	588	386	612	566	.....
Depreciation:					
Buildings	2,324	2,111	3,027	1,675	.....
Machinery	1,422	1,212	1,845	1,032	.....
Total indirect expenses	33,235	25,549	40,220	26,787	.....
TOTAL ALLOCATED EXPENSES	129,529	113,546	133,668	125,709	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	-28,856	683	-20,139	-36,904	.....

[a]Includes perquisites.

Table 7.—Feedlot Enterprise Income and Expenses per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	25	8	12	13	1
Cwt. of beef produced	1,657	1,819	1,925	1,408	.....
Ave. number on feed	257	243	273	241	.....
No. livestock sold	364	365	377	352	.....
Sales wt. per head, lb.	1,149	1,133	1,109	1,189	.....
Sales price per cwt., $	78.44	78.12	77.09	79.68	.....
No. livestock purchased	325	329	327	323	.....
Purchase wt. per head, lb.	706	652	650	759	.....
Purchase price per cwt., $	79.65	77.87	78.49	80.58	.....
FEEDS FED PER CWT. OF BEEF PRODUCED		pounds			
Supplement	37	51	41	33	.....
Grain	388	235	295	506	.....
Hay	74	61	39	118	.....
Silage	1,587	1,608	1,538	1,649	.....
Haylage & grainlage	165	46	84	268	.....

(Table 7 is concluded on the next page.)

Table 7.—concluded

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
			dollars		
PER CWT. OF BEEF PRODUCED					
Value of beef produced	60.76	62.79	58.95	63.04	.....
Direct expenses:					
Feeds, purchased & homegrown:					
Supplement	4.99	6.58	5.23	4.70	.....
Grain	24.83	15.29	18.93	32.28	.....
Hay	1.92	1.62	.96	3.14	.....
Silage	17.81	17.41	17.41	18.32	.....
Haylage & grainlage	2.32	.64	1.15	3.80	.....
Salt & mineral	.66	.53	.53	.83	.....
Pasture	.25	.31	.19	.33	.....
Other	.14	.10	-	.32	.....
Total	52.92	42.48	44.40	63.72	.....
Bedding	1.59	1.64	1.27	2.00	.....
Veterinary & medicine	.65	.88	.64	.66	.....
Marketing & trucking	2.60	3.08	1.96	3.40	.....
Other	.34	.28	.25	.44	.....
Total direct expenses	58.10	48.36	48.52	70.22	.....
Indirect expenses:					
Machinery repair	.45	.41	.44	.46	.....
Car	.11	.06	.10	.12	.....
Interest paid	11.64	7.63	11.92	11.28	.....
Hired labor	1.30	.29	1.17	1.45	.....
Taxes	1.09	1.13	1.30	.82	.....
Hydro & telephone	.78	.61	.76	.81	.....
Bldg. repair & maintenance	.95	.88	1.08	.79	.....
Insurance	1.12	.99	1.25	.96	.....
Other	.36	.21	.32	.40	.....
Depreciation:					
Buildings	1.40	1.16	1.57	1.19	.....
Machinery	.86	.67	.96	.73	.....
Total indirect expenses	20.06	14.04	20.87	19.01	.....
TOTAL ALLOCATED EXPENSES	78.16	62.40	69.39	89.23	.....
RETURNS AFTER ALLOCATED EXPENSES	-17.40	.39	-10.44	-26.19	.....

Table 8.—Effect of Purchase Weight of Beef Feeder Cattle on Costs per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	Cattle purchased, lb.				
	To 599	600 to 699	700 to 799	800 & over	Your farm
Number of records	9	3	9	3	1
Cwt. of beef produced	1,273	1,525	1,924	2,294	.....
Average number on feed	211	279	269	376	.....
Number sold	254	399	400	637	.....
Selling wt. per head, lb.	1,038	1,094	1,199	1,227	.....
Selling price per cwt., $	76.19	77.90	77.73	82.07	.....
Number purchased	248	352	332	618	.....
Purchase wt. per head, lb.	526	677	769	840	.....
Purchase price per cwt., $	77.10	73.36	81.10	82.33	.....
FEEDS FED PER CWT. OF BEEF PRODUCED		pounds			
Supplement	32	43	44	22	.....
Grain	198	429	361	749	.....
Hay	69	142	55	84	.....
Silage	1,581	1,888	1,587	1,264	.....
Haylage & grainlage	231	151	103	249	.....
PER CWT. OF BEEF PRODUCED		dollars			
Value of beef produced	58.15	65.19	57.52	68.60	.....
Direct expenses:					
Feeds, purchased & homegrown:					
Supplement	4.49	5.98	5.57	3.50	.....
Grain	13.06	26.75	22.72	48.20	.....
Hay	1.87	3.77	1.35	2.22	.....
Silage	17.88	20.57	18.04	13.87	.....
Haylage & grainlage	3.33	2.11	1.41	3.47	.....
Salt & mineral	.59	.44	.68	.91	.....
Pasture	.26	.33	-	.87	.....
Other	.26	-	.14	.07	.....
Total	41.74	59.95	49.91	73.11	.....
Bedding	1.23	1.91	1.64	2.07	.....

(Table 8 is concluded on the next page.)

Table 8.—concluded

	Cattle purchased, lb.				
	To 599	600 to 699	700 to 799	800 & over	Your farm
Veterinary & medicine	1.08	.65	.46	.48	.....
Marketing & trucking	3.65	2.51	2.09	2.53	.....
Other	.49	.50	.26	.22	.....
Total direct expenses	48.19	65.52	54.36	78.41	.....
Indirect expenses:					
Machinery & truck	.55	.68	.35	.43	.....
Car	.14	.07	.10	.10	.....
Interest paid	8.07	13.67	13.52	12.04	.....
Hired labor	.97	.44	1.69	1.37	.....
Taxes	1.05	1.76	1.12	.63	.....
Hydro & telephone	.81	.80	.74	.76	.....
Building repair & maintenance	.82	1.84	.76	1.23	.....
Insurance	1.21	.95	1.16	.95	.....
Other	.53	.31	.32	.20	.....
Depreciation:					
Building	2.12	1.49	1.25	.37	.....
Machinery	.84	.46	1.09	.56	.....
Total indirect expenses	17.11	22.47	22.10	18.64	.....
TOTAL ALLOCATED EXPENSES	65.30	87.99	76.46	97.05	.....
RETURNS AFTER ALLOCATED EXPENSES	-7.15	-22.80	-18.94	-28.45	.....

Table 9.—Gross Margin per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern and Western Ontario, 25 Records, 1981

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	25	8	12	13	1
			dollars		
Value of beef produced	60.76	62.79	58.95	63.04	.....
Variable costs:					
Feed	52.92	42.48	44.40	63.72	.....
Interest paid	11.64	7.63	11.92	11.28	.....
Other	5.18	5.88	4.12	6.50	.....
Total	69.74	55.99	60.44	81.50	.....
Gross margin	-8.98	6.80	-1.49	-18.46	.....

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